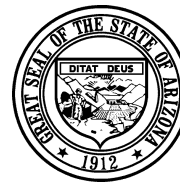


Arizona Department of Water Resources
GROUNDWATER USERS ADVISORY COUNCIL
Tucson Active Management Area
Cindy Shimokusu, Area Director



DEE T. O'NEILL
Chair

CHUCK SWEET
Vice-Chair

JOHN MAWHINNEY

DAVID MODEER

JON POST

Minutes
May 12, 2004

Members Present:

Dee O'Neill, Chair
Chuck Sweet, Vice-Chair
John Mawhinney
Jon Post

Staff Present:

Cindy Shimokusu, Area Director
Kenneth Seasholes, Assistant Area Director
Mary Bauer
Laura Grignano
Diane Kusel
Linda Stitzer
Jeff Tannler

Others:

Alejandro Barcenas, ADWR – Santa Cruz AMA
Michael Block, Metro Water District
Janet Lea Carr, SAWUA
Dave Crockett, Flowing Wells Irrigation District
Alan Forrest, Oro Valley Water Utility
Eric Holler, US Bureau of Reclamation
Leslie Katz, E.L. Montgomery and Assoc., Inc.
Meron Kidone, Castro Engineering
Karen LaMartina, Tucson Water
Ries Lindley, Tucson Water
Sidney Smith, Cortaro-Marana Irrigation Dist.
Cynthia Stefanovic, AZ State Land Dept.
Tim Thomure, Tucson Water
Arnold Velasco, Phelps Dodge Sierrita
Marilyn Woods, Lewis & Roca
Kristen Zimmerman, Pima Assoc. of Governments

I. Call to Order

Chairperson Dee O'Neill called the meeting to order at 9:31 A.M. Introductions were made.

II. Approval of Minutes

Jon Post made a motion to approve the minutes of April 16, 2004. John Mawhinney seconded the motion. The minutes were unanimously approved.

III. Update on Well Spacing and Impact Rule Development

Jeff Tannler, Water Resources Supervisor in the TAMA office, explained that the Well Rules Development Team recently met to discuss the list of priority issues on which Dennis Kimberlin briefed the GUAC at the April 16, 2004 meeting. The priorities listed were drafted internally as a starting point for the development process. Other issues not listed may also be open for consideration at this time.

Currently the Development Team is working on problem statements to flesh out the issues and potentially come up with alternative solutions. It is anticipated the problem statements will be available for public review and comment within a month or so.

A letter is currently being written to solicit stakeholder participation in an advisory group to work on the well rules package. It is expected the advisory group will consist of 12-15 members statewide, representing various sectors. The group will meet every month or two in Phoenix. It is important that members attend regularly in order to provide desired feedback.

A formal public review of the rules package will occur as the process moves forward, but concerns or comments are welcomed at this time. A mailing list has been started for those interested in receiving updates.

IV. Upper San Pedro Basin Evaluation

Linda Stitzer, Arizona Department of Water Resources (ADWR) Statewide Water Planner, is currently working on review of the Upper San Pedro Basin to assist in determining whether it meets the statutory criteria to be designated by the Director as an Active Management Area (AMA). The basin was reviewed for AMA designation in 1988, and it was decided not to create an AMA but to reassess the designation in 10-15 years. It is anticipated the review will be completed by the end of the summer.

If any of the designation criteria are met and the Director proposes to designate an AMA, a public hearing must be held within the proposed AMA. All comments must be considered. Within 30 days after the hearing the Director must file written findings. The findings and designation order are subject to rehearing or review and to judicial review. There is also a petition process for creating a subsequent AMA.

Since this is a sensitive issue, a public outreach process has been implemented. Two open houses were held within the community and periodic newsletters produced. A number of presentations of technical findings have also been made.

Ms. Stitzer reviewed a map of the Upper San Pedro Basin, which includes the San Pedro Riparian National Conservation - a major feature of the basin that has attracted national and international interest.

The report will reflect water use for the upper and lower areas of the basin, but for AMA designation the entire basin needs to be considered. The review components include a water demand analysis, the impact of AMA practices on water use, and a hydrologic analysis and budget. A complete water level sweep was also done of the basin, resulting in a Hydrographic Map Series Report of the Upper San Pedro Basin, which is available on CD. The final report will include the recommendation by the Director.

Acreage based estimates for agricultural water use within the basin was conducted using satellite imagery, aerial photos and site visits. The San Pedro Hyrdographic Survey Report published in 1991 as part of the Gila River adjudication was used to help identify acreage still being irrigated. There is currently very limited irrigation in the southern portion of the basin, which was extensive at one time. Pumpage data and

surface water diversion data were not available, so a consumptive use approach was used, resulting in 9,800 acre-feet. 24% of the agricultural supply is surface water and 76% groundwater. The agricultural projections assume no change.

23% of municipal water use demand comes from domestic wells. Fort Huachuca accounts for 11% and water providers 66%. Projections used in the study were fairly conservative, whereas the growth rate is approximately 2.3% a year. There is a lot of effluent utilization and recharge within the basin. If projections are correct, by 2030 effluent utilization will be 95% of effluent produced and municipal use will increase due to population.

Preliminary hydrologic findings show there is groundwater overdraft with approximately 20 million acre-feet of groundwater in storage. Groundwater levels continue to decline in Sierra Vista, Benson, Bisbee, and Naco. There are cones of depressions developing in these areas. However, no long-term water levels declines in the floodplain aquifer have been noticed. North of Pomerene levels are rising primarily due to agriculture being out of production.

ADWR has been working with the Upper San Pedro Partnership (USPP), an active watershed group consisting of 20 agencies and organizations. It has secured federal funding for studies and programs with a goal of creating a long-term conservation management plan for the southern portion of the basin.

A 2004 proposal was put forth by the USPP to create an Irrigation Non-Expansion Area (INA) that would affect only the southern portion of the basin. This would require creating special legislation, because existing legislation for INAs includes entire basins. This proposal did not go forward during the latest legislative session.

The Middle San Pedro Partnership has recently become active primarily due to growth concerns west of Benson. Ms. Stitzer has addressed the group on a couple of occasions to provide them with a sense of what the water demands are in their area.

A biological opinion by US Fish and Wildlife was finalized for Fort Huachuca, because there are a number of threatened and endangered species on the Fort. It addresses direct, indirect, interrelated and interdependent effects (on-post and off-post) of Fort Huachuca's water use. Fort Huachuca has agreed to be responsible for water use related to its activities.

Last year Representative Renzi introduced legislation that would have removed the Fort's responsibility for some of the off base water use. There was local concern about this because of all the investment that has occurred to try and balance growth in the area with preservation of the river. Senator McCain became involved and made the legislation more palatable, and it essentially became part of Section 321 of the National Defense Reauthorization Act; aka Fort Huachuca Preservation Amendment. Fort Huachuca would still be responsible for the activities listed above, but would not be responsible for cumulative effects; this has been shifted to the USPP. The USPP is required to report annually to Congress on water use and what conservation measures have been implemented to achieve sustainable yield by 2011.

Outside of AMAs there is an ADWR Adequacy Program that requires a developer to show physical availability of water and financial capability before new subdivisions are approved. However, between 1984 – 1993 no statements of water adequacy were issued in the Upper San Pedro Basin because of the suspected impact on the flow of the San Pedro River from pumping and the Gila River adjudication. In 1993 ADWR changed this policy because it was not in affect elsewhere in the state, and there were legal decisions that gave ADWR more confidence for issuing statements.

Recently, the Center for Biological Diversity, San Pedro 100 and Robin Silver filed a lawsuit to challenge this 1993 policy change. The basis of the claim was the impacts that well pumping would have on the

San Pedro River. The lawsuit stated ADWR should cease issuing statements of water adequacy, revisit prior statements and provide notice of adequacy determinations. A motion to dismiss was filed by ADWR, which was granted. The Plaintiffs have 30 days to file a notice of appeal.

V. Election of Officers

A conference call was placed to David Modeer in order for him to participate in this action item. Mr. Modeer nominated John Mawhinney as Chair. Chuck Sweet nominated Dee O'Neill as Chair; Jon Post seconded Mr. Sweet's nomination. Ms. O'Neill was unanimously reelected Chair. Jon Post nominated Chuck Sweet as Vice-Chair. Chuck Sweet nominated David Modeer as Vice-Chair; Jon Post seconded Mr. Sweet's nomination. Mr. Modeer was unanimously elected Vice-Chair. Terms are for two years.

VI. Santa Cruz AMA Rule Development

Alejandro Barcenas, Area Director of the Santa Cruz AMA (SCAMA), reported all AMAs are statutorily required to meet Assured Water Supply (AWS) requirements for the sale of subdivided lands. Due to the timing of the creation of the SCAMA (April 1994) and when the AWS rules were adopted (February 1995), specific rule criteria for the SCAMA were excluded. In 1997 a concept paper was drafted outlining concepts to be used in creation of new provisions for the SCAMA rules. After many years of meetings to work through the concept paper, it was modified in May 2003 and a final draft issued in 2004.

The goal of the other AMAs, except Pinal, is to work toward achieving safe yield, whereas the SCAMA is working toward maintaining safe yield along with preventing long-term declines from its water table. To address SCAMA's unique situation, several modifications to the rules have been proposed and are listed below.

- The proposed change to the definition of "diversion works" refers to the physical availability of surface water; the proposed amendment to the definition of "firm yield" is to clarify that as it is used in existing rules, may also be applied to surface water withdrawn from wells.
- SCAMA be added to the existing groundwater depth to static water limitation criteria in order to be consistent with the other AMAs, except Pinal.
- A new rule be added to the continuous availability section due to SCAMA's water users inability to tap deep aquifer systems in the event of shortages such as drought.
- The applicant be required to comply with the existing legal availability rules for groundwater and for surface water due to uncertainties in the legal nature of water withdrawn from a well in many areas of the SCAMA. Most water users base their legal authority to use water withdrawn from a well on both the Groundwater Code and the Public Water Code (surface water.)
- A title change to the Assured Water Supply Requirements to clarify exclusion of the SCAMA.
- A new section be added to address goal requirements for the SCAMA.

Stating how data will be maintained and used is required under current rules. ADWR is reviewing all available hydrologic data and may obtain outside expertise to assist in evaluating hydrologic and climatic data in order to derive statistically significant target water level elevations.

The next steps will be to file a Notice of Rule Making, hold workshops on proposed rules, implement modifications and development of final draft rules, submit rule packet to the Governor's Regulatory Review Council, which begins the formal rule making process.

VII. Update on IPAG Consideration of Arizona Water Banking Authority (AWBA) Firming Storage as a Water Management Benefit

Ken Seasholes, Assistant Area Director of the TAMA, reported the Institutional Advisory Council Group (IPAG) met to consider whether withdrawal fees should be used for firming Municipal and Industrial (M&I) CAP subcontracts, and if so, which recharge facilities are most appropriate for that purpose.

IPAG agreed that the AWBA should use the withdrawal fees for firming M&I CAP subcontracts to provide a management benefit to the TAMA by reducing future dependence on groundwater to make up for shortfall in recharge credits generated by the 4-cent ad valorem tax. The IPAG also recommended the AWBA adopt a policy committing credits for firming of M&I subcontracts in the TAMA and not be swept in the future for other purposes.

IPAG did not come to consensus on what facilities should be used for firming, but a number of factors that should be considered were agreed upon, including: the ability to recover the water, the sizes of the subcontracts, and cost of storing. Conversations ensued around how each subcontractor intends to use it CAP allocation, and whether they will rely on their own infrastructure to recover credits or prefer to have water recovered and wheeled by way of the CAP system.

Mr. Seasholes distributed a handout depicting the activity of the AWBA since it began storing in the TAMA. 258,872 acre-feet of long-term storage credits have been stored within seven facilities. The AWBA credits in TAMA by funding source through 2003 are as follows: ad valorem tax – 58%, withdrawal fee – 25%, and general fund – 17%.

IPAG expressed a desire to work with the GUAC and move forward on regional recovery planning. The CAP contractors plan to meet, and it is expected IPAG will present a recommendation to GUAC at its July meeting.

VIII. Area Director's Report

There was no Area Director's report.

IX. Public Comment

There were no public comments.

X. Date and Agenda for Next Meeting

Due to arising conflicts with the previously scheduled June 18, 2004 meeting, the new the date for the next meeting will be June 15, 2004 at 8:30 a.m. Potential agenda items are an update on CAP reallocations, an update on the CAGRD Plan of Operation, and an update on the AWBA Indian Firming.

XI. Adjournment

The meeting was adjourned at 11:30 a.m.